

NEWLUND MINES LIMITED

2400 The Bank of Nova Scotia Building
44 King Street West
Toronto 1 - Ontario

NOTICE OF ANNUAL MEETING

To the Shareholders:

TAKE NOTICE that the Annual Meeting of Shareholders of NEWLUND MINES LIMITED will be held at Room 2400 The Bank of Nova Scotia Building, 44 King Street West, Toronto, Ontario, on Wednesday the 31st day of March, 1971, at the hour of 11:00 o'clock in the forenoon, Eastern Standard Time, for the following purposes:—

- (a) To receive Reports of the Directors and Auditors for the year ended September 30, 1970;
- (b) To elect Directors;
- (c) To appoint Auditors; and
- (d) To transact such other business as may properly come before the Meeting.

A copy of the Reports and Balance Sheet to be submitted to the Meeting is enclosed herewith.

DATED at Toronto, Ontario, this 5th day of March, 1971.

By Order of the Board,

P. C. FINLAY,
Secretary.

NOTE: If unable to attend in person please sign and return your Proxy in the envelope enclosed for that purpose.

NEWLUND MINES LIMITED

INFORMATION CIRCULAR

This Information Circular is furnished in connection with the solicitation of proxies by the Management of the Company for use at the Annual Meeting of Shareholders of the Company to be held on Wednesday, the 31st day of March, 1971, and at any adjournment or adjournments thereof.

The cost of solicitation will be borne by the Company. The solicitation will be primarily by mail, but proxies will be also solicited by regular employees of the Company. No remuneration will be paid to any person for soliciting proxies, but the Company may, upon request, pay to certain brokerage firms, fiduciaries and other persons holding shares in their names for others, the charges entailed for sending out proxies to the persons for whom they hold shares.

PROVISIONS RELATING TO VOTING

Shareholders of record at the time of the holding of the Meeting will be entitled to one vote for each share held. The Company has outstanding 6,008,808 shares of its capital stock. A shareholder who has given a proxy may revoke it at any time prior to its use either — (a) by signing a proxy bearing a later date and delivering it to the Secretary of the Company, or (b) by signing written notice of revocation and delivering it to the Secretary of the Company or the Chairman of the Meeting.

The Company has been informed that E. D. Wright beneficially owns directly or indirectly 887,500 shares or approximately 14.77% of the issued and outstanding shares of the Company.

ELECTION OF DIRECTORS

At the Annual Meeting a Board of five Directors is to be elected, to hold office until the next Annual Meeting of Shareholders or until their successors are elected, and it is the intention of the persons named in the enclosed form of proxy to vote such proxy for the election of the following persons, being the present Directors of the Company, who are standing for re-election.

The Management does not contemplate that any nominee will be unable to serve as a Director for any reason, but should this be the case, the persons named in the accompanying form of proxy reserve the right to vote for another person of their choice in his place and stead.

The names of all the Directors, their principal occupation or employment, the years in which they became Directors of the Company and the approximate number of shares of the Company beneficially owned by their, directly or indirectly, as of the 4th day of March, 1971, as as follows:

<u>Name</u>	<u>Position with Company</u>	<u>Present Principal Occupation</u>	<u>Director since</u>	<u>Number of Shares beneficially held</u>
E. D. Wright	President and Director	Chartered Accountant	30 March 1967	887,500
J. R. Booth	Vice-President, General Manager and Director	Vice-President — Sales, Chesbar Iron Powder Limited. Previously President of New Mylamaque Exploration Limited	30 March 1967	1

<u>Name</u>	<u>Position with Company</u>	<u>Present Principal Occupation</u>	<u>Director since</u>	<u>Number of Shares beneficially held</u>
P. C. Finlay	Secretary-Treasurer and Director	Partner in the legal firm of Holden, Murdoch, Walton, Finlay, Robinson	5 July 1955	1
H. H. McGarry	Director	Paediatrician	4 March 1971	100,000
J. F. Lake	Director	Partner in the legal firm of Holden, Murdoch, Walton, Finlay, Robinson	5 March 1970	1

Each of the above named persons has held the principal occupation indicated for at least five years.

REMUNERATION OF DIRECTORS AND SENIOR OFFICERS

- (1) No remuneration was paid by the Company during the fiscal year ended September 30, 1970, to the Directors or senior Officers of the Company.
- (2) The Company does not have any pension plan for the benefit of its Officers or employees.
- (3) Pursuant to an Agreement dated the 16th day of May, 1968, the Company granted to John R. Booth, Director and General Manager of the Company, a non-transferable option to purchase 30,000 shares of the capital stock of the Company at the price of 23 cents per share exercisable on or before the 6th day of May, 1970, provided that not more than 15,000 shares may be purchased prior to May 6, 1969. Option terminated on May 6th, 1970, at which time John B. Booth had not exercised his option to purchase any of the aforesaid shares.

APPOINTMENT OF AUDITORS

The persons named in the enclosed form of proxy intend to vote for the reappointment of Messrs. Thorne, Gunn, Helliwell & Christenson, Chartered Accountants, Toronto, as Auditors of the Company, to hold office until the next Annual Meeting of Shareholders. Messrs. Thorne, Gunn, Helliwell & Christenson and its predecessor, Messrs. Gunn, Roberts & Co., have been Auditors of the Company for more than five years.


OTHER MATTERS

The Management does not know of any other matters to be brought before the Meeting other than those hereinbefore set forth and in the Notice of Meeting. However, if any other matters which are not now known to the Management should properly come before the Meeting, the accompanying proxy will be voted on such matters in accordance with the best judgment of the person or persons voting the proxy.

By Order of the Board,

P. C. FINLAY,
Secretary.

Toronto, Ontario,
March 5th, 1971.



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NEWLUND MINES LIMITED

Twenty-Second Annual Report



For the Year Ending September 30 1971

NEWLUND MINES LIMITED

Twenty-Second Annual Report

For the fiscal year ended September 30 1971

Authorized Capital — 10,000,000 shares of \$1.00 Par Value

Issued Capital — 6,033,808 shares

Incorporated under the Laws of Ontario

OFFICERS

E. D. WRIGHT	- - - - -	President
J. R. BOOTH	- - - - -	Vice-President and General Manager
P. C. FINLAY, Q.C.	- - - - -	Secretary-Treasurer
H. HUNTER	- - - - -	Assistant Secretary-Treasurer

DIRECTORS

J. R. BOOTH	- - - - -	Toronto
P. C. FINLAY, Q.C.	- - - - -	Toronto
D. W. KEENLEYSIDE, M.D.	- - - - -	Kingston
H. H. McGARRY, M.D.	- - - - -	Niagara Falls
E. D. WRIGHT, C.A.	- - - - -	Toronto

TRANSFER AGENT AND REGISTRAR

CANADA PERMANENT TRUST COMPANY

1901 Yonge Street

Toronto, Ontario

SOLICITORS

HOLDEN, MURDOCH, WALTON, FINLAY, ROBINSON

2400 The Bank of Nova Scotia Building

Toronto, Ontario

AUDITORS

THORNE, GUNN, HELLIWELL & CHRISTENSON

Toronto, Ontario

HEAD OFFICE

2400 The Bank of Nova Scotia Building

Toronto, Ontario

NEWLUND MINES LIMITED

Directors' Report

TO THE SHAREHOLDERS:

Your Directors submit the Company's Balance Sheet as at September 30 1971 together with the Auditors' Report as well as the Statement of Exploration and Administrative Expenditures, Statement of Deficit and Statement of Source and Application of Funds all for the year ended September 30 1971.

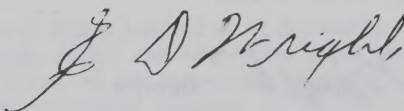
A magnetometer and EM 16 survey was completed on our Nelligan Township, Quebec 30 claim group and preliminary indications are very interesting. We are awaiting the delivery of the report and accompanying maps. If the report give us sufficient encouragement we will endeavour to raise the necessary funds to carry out further work on the property.

Our ownership of Louvicourt Goldfield Corporation is now 816,875 shares. The drilling done on Louvicourt's Sturgeon Lake area property was not successful in finding a mine, however, an interesting anomaly was located as drilling was finishing last Spring and a further six claims were staked to protect this anomaly at the south end of Glitter Lake. Present plans call for obtaining the interest of a large exploration company to participate in further developing this property.

We have staked 20 claims in McElroy and Hearst Townships of the Larder Lake Mining Division, Ontario, Nickel-copper mineralization has been noted on several of the claims. These are also indications of silver and gold. Six grab samples ran between 0. 1 and 0.5% nickel and 0. 1 and 0. 3% copper. One sample carried 0. 7 oz. silver per ton.

As gold has been constantly increasing in price your management is keenly aware that at some point in the near future, it may be economic to put the mine at Echo Township into production. The buildings are being maintained in good order and the dewatering of the shaft and three levels would not constitute a major undertaking.

On behalf of the Board,



E. D. Wright
President

Toronto, Ontario
March 17 1972

Balance Sheet -

(with comparative figur

	ASSETS	1971	1970
CURRENT ASSETS			
Cash		\$ 251	\$ 398
Marketable securities, at cost less allowance of \$170,500 for decline in value (quoted market value 1971, \$105,828; 1970, \$102,355)		99,227	102,339
		<u>99,478</u>	<u>102,737</u>
INTEREST IN OTHER COMPANIES			
Unlisted shares, at cost		32,020	32,020
Advances		61,442	59,442
		<u>93,462</u>	<u>91,462</u>
Less allowance for decline in value		32,000	32,000
		<u>61,462</u>	<u>59,462</u>
Other shares (including dormant subsidiary company), at nominal values		5	5
		<u>61,467</u>	<u>59,467</u>
MINING PROPERTIES AND CLAIMS			
Patented mining claims in Echo Township, Ontario, at nominal value		1	1
Mining claims held in Nelligan Township, Quebec, at cost		900	900
Mining claims held in McElroy and Hurst Townships Ontario, at cost		800	
Other mining claims and interest in mining claims, at cost or less			11,654
		<u>1,701</u>	<u>12,555</u>
OTHER ASSETS			
Interest in buildings an equipment, Echo Township, Ontario, at nominal value		1	1
DEFERRED EXPLORATION EXPENDITURES		3,552	14,492
		<u>\$ 166,199</u>	<u>\$ 189,252</u>

Approved by the Board

J. O. Wright

Director

P. C. Finlay

Director

NEWLUND MINES LIMITED

(Incorporated under the laws of Ontario)

September 30 1971

September 30, 1970)

	LIABILITIES	
	1971	1970
CURRENT LIABILITIES		
Bank loan (secured by marketable securities)		\$ 4,000
Accounts payable and accrued liabilities	\$ 9,275	3,800
Loan from director	6,782	2,400
	<u>16,057</u>	<u>10,200</u>

SHAREHOLDERS' EQUITY

CAPITAL STOCK (see note)

Authorized — 10,000,000 shares of \$1 each

Issued — 6,033,808 shares (6,008,808 shares in 1970) 6,033,808 6,008,808

Less discount on shares 2,514,400 2,497,150

DEFICIT 3,519,408 3,511,658
3,369,266 3,332,606
150,142 179,052

Note

Pursuant to an agreement, the company was required to issue 25,000 shares of its capital stock in the event that a mineral permit, which was transferred to a new company for shares of that company, was allowed to expire. During the year the mineral permit expired and accordingly the company issued 25,000 shares valued at \$7,750. Since the investment in the new company was written off in 1970, the \$7,750 has been written off in 1971.

\$ 166,199 \$ 189,252

AUDITORS' REPORT

To the Shareholders of
Newlund Mines Limited

We have examined the balance sheet of Newlund Mines Limited as at September 30 1971 and the statements of exploration and administrative expenditures, deficit and source and application of funds for the year then ended. Our examination included a general review of the accounting procedures and such tests of accounting records and other supporting evidence as we considered necessary in the circumstances.

In our opinion these financial statements present fairly the financial position of the company as at September 30 1971 and the results of its operations and the source and application of its funds for the year then ended, in accordance with generally accepted accounting principles applied on a basis consistent with that of the preceding year.

Toronto, Canada,
February 17 1972

THORNE, GUNN, HELLIWELL & CHRISTENSON,

Thorne, Gunn, Helliwell & Christenson
Chartered Accountants

NEWLUND MINES LIMITED

Statement of Exploration and Administrative Expenditures

Year ended September 30 1971

(with comparative figures for 1970)

	1971	1970
EXPLORATION EXPENDITURES		
Echo Township, Ontario	\$ 939	\$ 942
Biscotasing area, Ontario	50	1,154
Oro Blanca District, Arizona		2,194
McPhail Township, Ontario	244	1,197
Hyman Township, Ontario		171
Nelligan Township, Quebec	3,249	
McElroy and Hurst Townships, Ontario	303	
	<u>4,785</u>	<u>5,658</u>
ADMINISTRATIVE AND CORPORATE EXPENSES		
Office services	600	2,400
Share transfer expenses	4,453	4,137
Legal and audit fees	2,450	4,369
Shareholders' information and annual meeting expenses	1,683	1,656
Stock exchange fees	200	100
Travel		96
Miscellaneous expenses	214	325
	<u>9,600</u>	<u>13,083</u>
Expenditures for the year	14,385	18,741
Balance deferred at beginning of year	14,492	10,301
	<u>28,877</u>	<u>29,042</u>
DEDUCT AMOUNTS WRITTEN OFF TO DEFICIT		
Exploration expenditures		
Echo Township, Ontario	939	942
Biscotasing area, Ontario	1,204	
Oro Blanca District, Arizona	2,194	
McPhail Township, Ontario	1,441	
Hyman Township, Ontario	9,947	
Daniel Township, Quebec		525
	<u>15,725</u>	<u>1,467</u>
Administrative and corporate expenses	9,600	13,083
	<u>25,325</u>	<u>14,550</u>
Balance deferred at end of year	<u>\$ 3,552</u>	<u>\$ 14,492</u>
SUMMARY OF EXPENDITURES DEFERRED		
Exploration expenditures		
Nelligan Township, Quebec	\$ 3,249	
McElroy and Hurst Townships, Ontario	303	
Biscotasing area, Ontario		\$ 1,154
Hyman Township, Ontario		9,947
Oro Blanca District, Arizona		2,194
McPhail Township, Ontario		1,197
	<u>\$ 3,552</u>	<u>\$ 14,492</u>

NEWLUND MINES LIMITED

Statement of Deficit

Year ended September 30 1971

(with comparative figures for 1970)

	1971	1970
Balance at beginning of year	\$3,332,606	\$3,257,066
ADD		
Amounts written off		
Cost of mining claims abandoned	11,654	
Exploration expenditures	15,725	1,467
Advances to other companies		34,943
Interest in grubstake		500
Investment in another company (see note)	7,750	38,750
Administrative and corporate expenses	9,600	13,083
	44,729	88,743
Allowance for decline in value of securities and advances		9,500
	44,729	98,243
Deduct profit on sale of marketable securities	8,069	22,703
	36,660	75,540
Balance at end of year	\$3,369,266	\$3,332,606

Statement of Source and Application of Funds

Year ended September 30 1971

(with comparative figures for 1970)

	1971	1970
SOURCE OF FUNDS		
Profit on sale of marketable securities	\$ 8,069	\$ 22,703
APPLICATION OF FUNDS		
Exploration and administrative expenditures	14,385	18,741
Advances to other companies	2,000	50,550
Increase in allowance for decline in value of marketable securities		69,500
Cost of maining claims acquired	800	4,553
	17,185	143,344
Decrease in working capital	9,116	120,641
Working capital at beginning of year	92,537	213,178
Working capital at end of year	\$ 83,421	\$ 92,537

